

Regional council approves incineration business case

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Regional councillors have voted to channel all of Durham's federal gas tax money, through 2019, into building an incinerator in Clarington.

After lengthy debate, councillors passed the project's business case at Wednesday's council meeting in a 17-8 vote. Both of Brock's regional representatives, Mayor Larry O'Connor and regional councillor John Grant, voted in favour of the business plan.

The business case outlines a budget for the energy-from-waste facility, including nearly \$200 million for the construction costs. Durham's share would be \$155 million. Of the \$17 million in annual operating costs, the Region would pay \$13 million.

Instead of borrowing money, the business case calls on the Region to pump all of its federal gas tax dollars into it from 2008 on, paying off the construction costs roughly six years after it opens in 2013.

The Region is to receive \$16.5 million per year, starting in 2010, and by then will have banked \$48 million in gas tax money.

In explaining the business case to his colleagues on Brock council at Monday's committee of the whole meeting, regional councillor John Grant said that using the federal funding was a "clever" way to finance the project. If it had borrowed the money, it could have made it difficult to finance other long-term projects, he said.

Mayor Larry O'Connor pointed out that the Brock landfill was mentioned three times in the business case, with each reference saying it wasn't a suitable location for the Region's waste.

"It was really good to see that spelled out," he said.

The business case includes almost \$1 million per year in the operating budget for major repair and replacement costs, and \$2 million in annual maintenance and repair.

The Region's financial analysts said the significant repairs and replacements over 25 years contributed to them assigning the plant an \$80-million (in 2007 dollars) residual value in 2037. The analysts have maintained that's a conservative estimate.

Now that the business case is approved, the Region can put out a request for proposals from the five vendors pre-qualified to build the facility. The whole process is part of an ongoing EA and must be approved by the Province before work can begin.

-- *With notes from Scott Howard*